



Bentley[®]
Advancing Infrastructure

23Q2

Operating Results

Greg Bentley
Chief Executive Officer

Nicholas Cumins
Chief Operating Officer

Werner Andre
Chief Financial Officer

Disclaimer

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operate; the quality of our products; our ability to develop and market new products to address our accounts' rapidly changing technological needs; changes in capital markets and our ability to access financing on terms satisfactory to us or at all; the impact of changing or uncertain interest rates on us and on the industries we serve; our ability to integrate acquired businesses successfully; and our ability to identify and consummate future investments on terms satisfactory to us or at all; our ability to identify and consummate future investments on terms satisfactory to us or at all; and other risks and uncertainties described in our reports filed from time to time with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2022 and subsequent Form 10-Qs.

The forward-looking statements made in this presentation are made as of August 8, 2023. If this presentation is reviewed after August 8, 2023, even if made available by us, on our website or otherwise, it may not contain current or accurate information. We disclaim any obligation to update or revise any forward-looking statement based on new information, future events, or otherwise.

Revenue metrics are presented under Accounting Standard Codification ("ASC") 606, unless stated otherwise.

Please refer to the Appendix of this presentation for definitions of KPIs and non-GAAP financial measures, and where applicable, reconciliations to their nearest GAAP equivalents, included in this presentation.

Agenda

Directions and Developments

Greg Bentley, Chief Executive Officer

Operational Perspectives

Nicholas Cumins, Chief Operating Officer

Financial Performance

Werner Andre, Chief Financial Officer

Directions and Developments



Greg Bentley, Chief Executive Officer

23Q2 Directions

Broader Growth (*Directionally Better...*)

E365 Contribution (*Directionally Better...*)

SMB Contribution (*Directionally Better...*)

Cycle within a Super-cycle: *Resources* (mining) / *Sequent...*

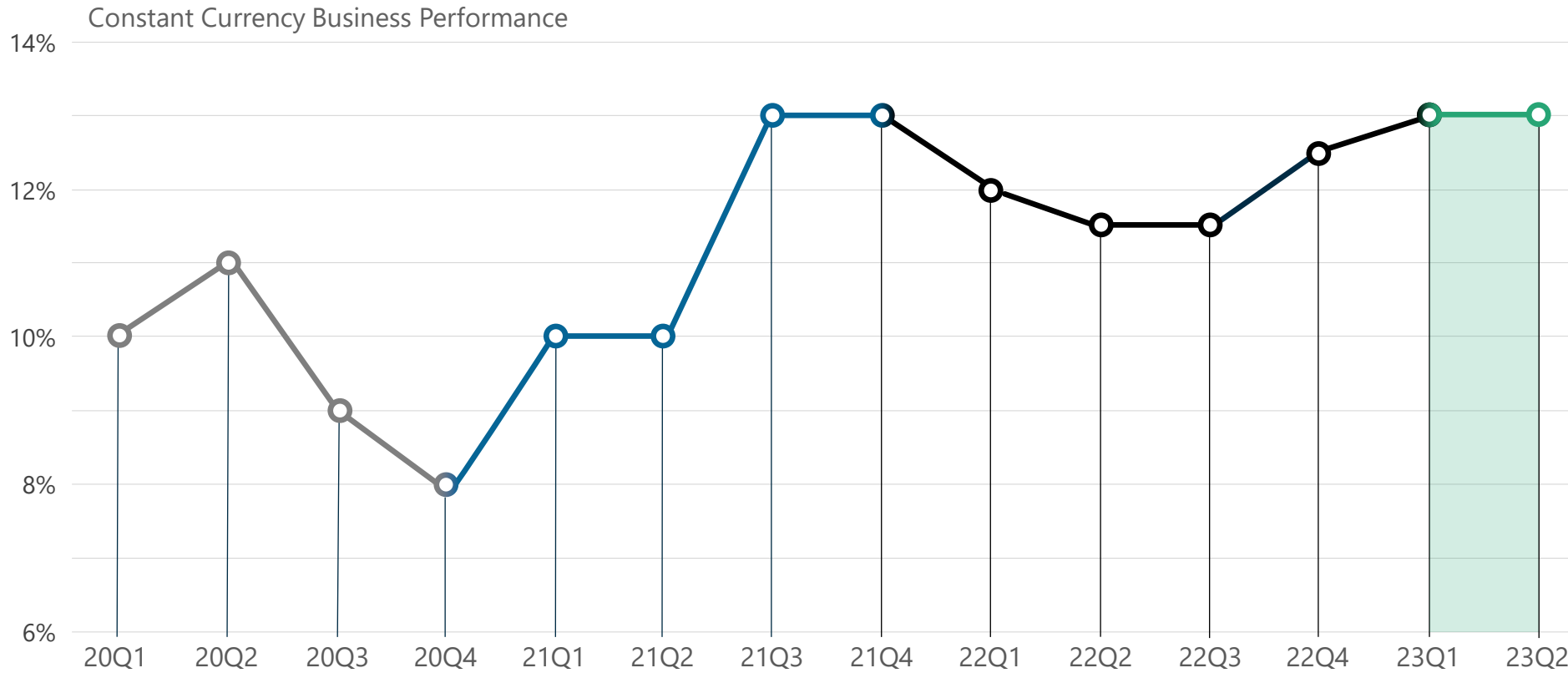
2023 (ARR) Visibility (*Directionally Better, ex-China...*)

23Q2 Directions



YoY ARR Growth⁸

Sustained at High-water Mark...



Note: Annualized Recurring Revenue ARR⁶
Footnotes 6,8 : See appendix for KPI and non-GAAP definitions

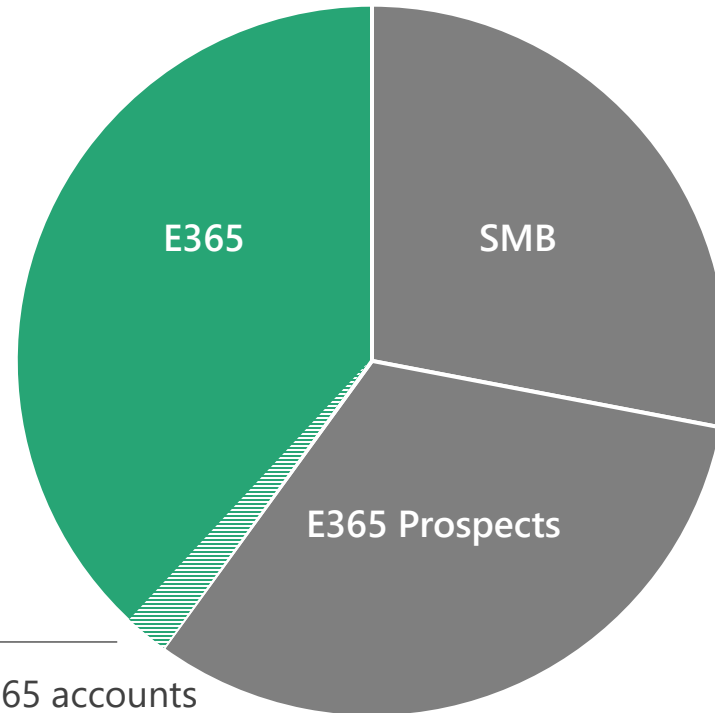
23Q2 Directions

Broader Growth (*Directionally Better...*)

E365 Contribution (*Directionally Better...*)

ARR⁶ by Account Size

E365 leads Accretion...



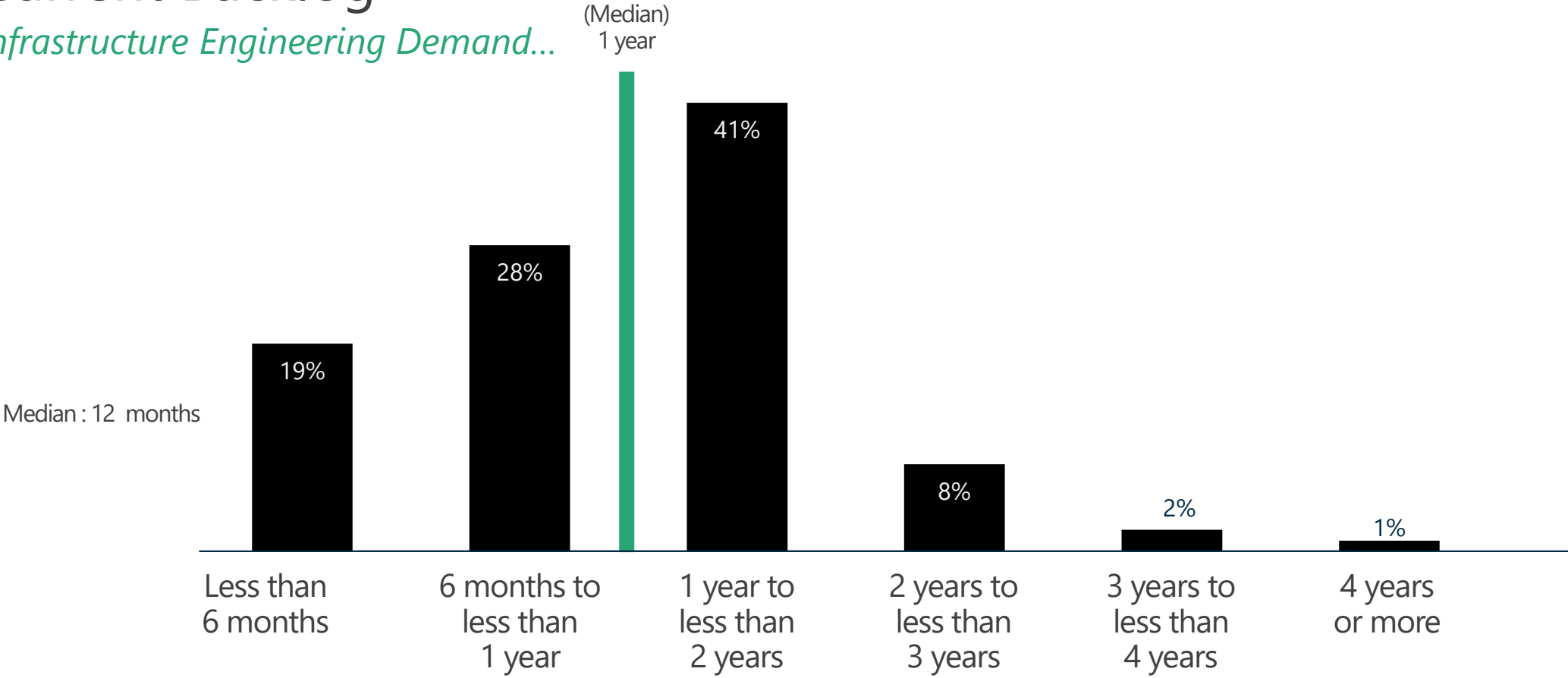
E365 growth during 23Q2

- (primarily) in consumption, by existing E365 accounts
- accounts new to E365

Note: Chart segment sizing corresponds to underlying % of 23Q2 ARR⁶
Footnote 6 : See appendix for KPI and non-GAAP definitions

Current Backlog

Infrastructure Engineering Demand...



Median : 12 months

(Median)
1 year

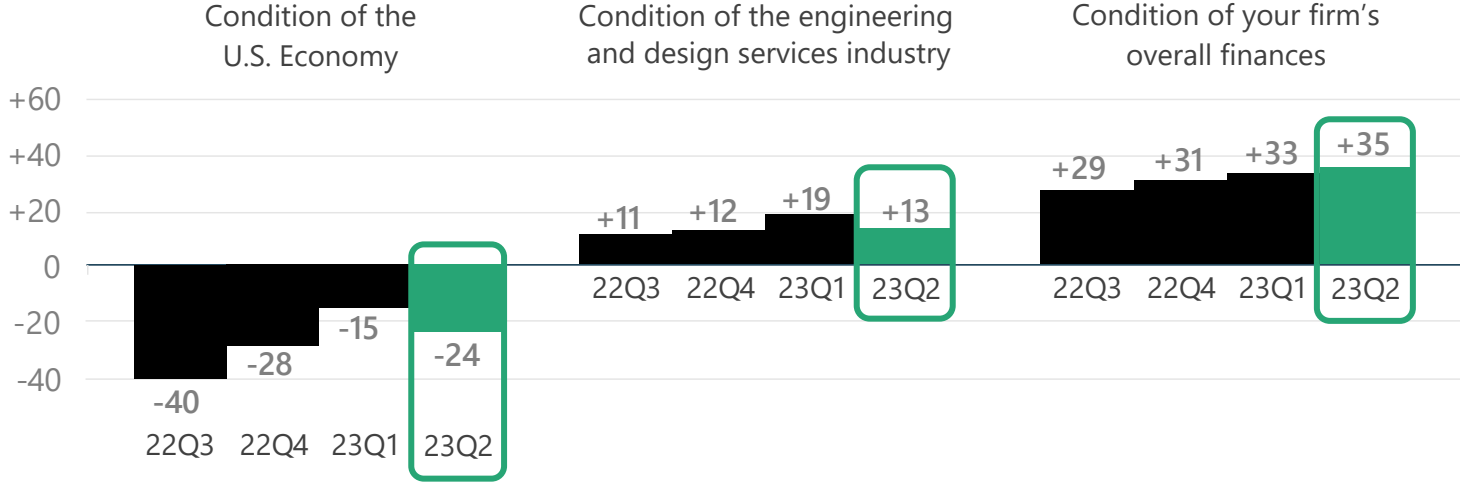
2023 Q2 (n=585)



Source: ACEC Research Institute Engineering Business Sentiment © | 2023 Q2- <https://programs.acec.org/impact-report-21/>

Economic Sentiment 12 Months from Now vs. Previous Quarters

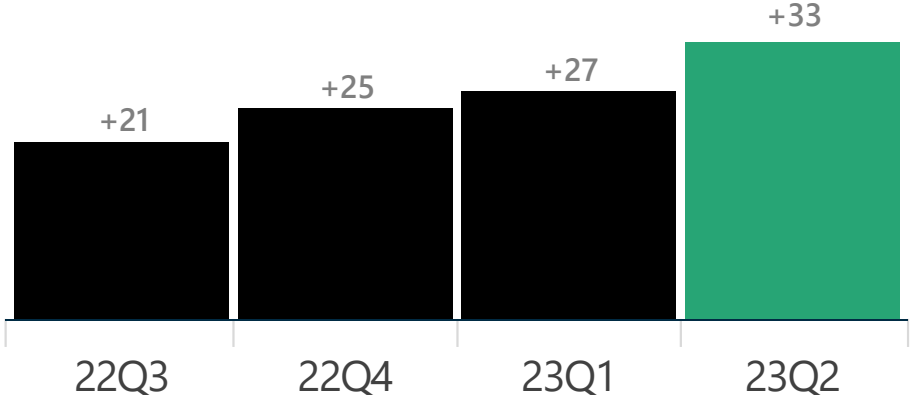
Macro-resilient expectations...



Source: ACEC Research Institute Engineering Business Sentiment © | 2023 Q2- <https://programs.acec.org/impact-report-21/>

Backlog 12 Months from Now

"Net Rating" Inflection ...



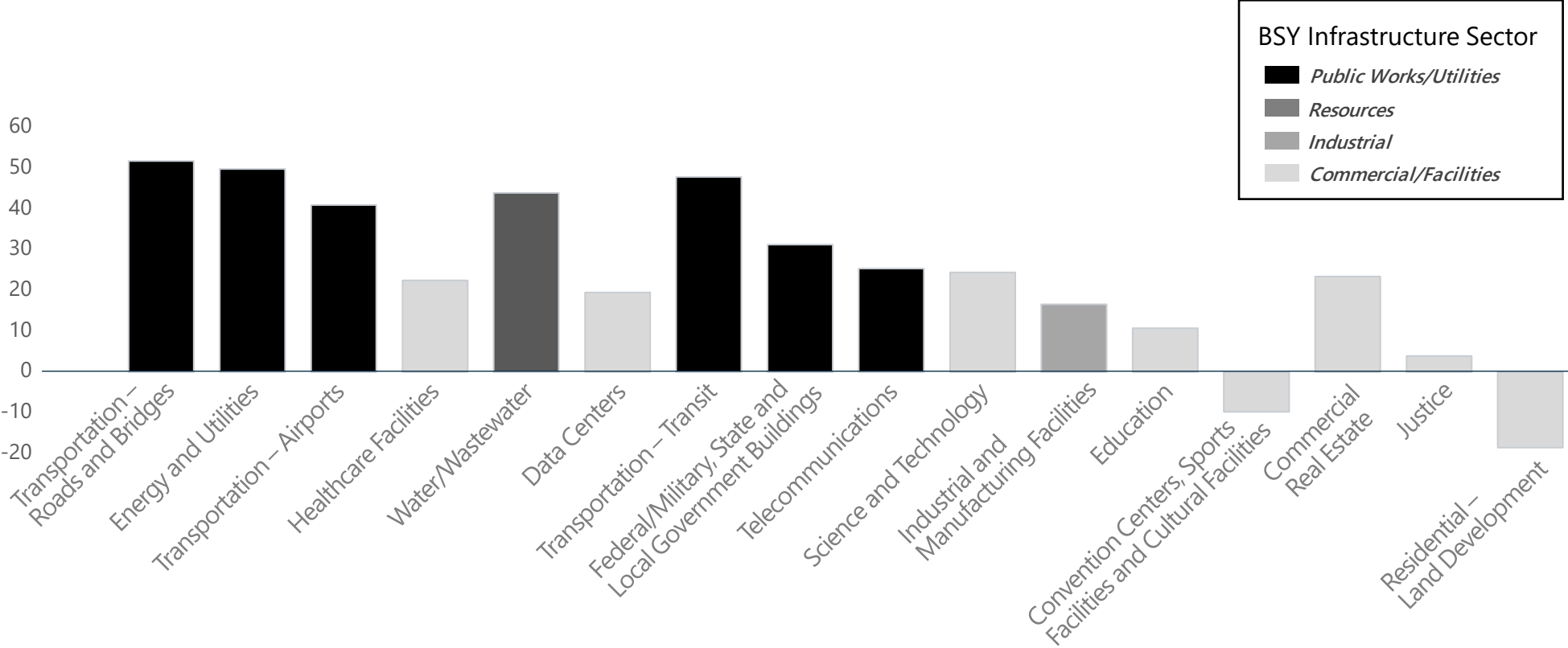
2023 Q2 (n=529)



Source: ACEC Research Institute Engineering Business Sentiment © | 2023 Q2- <https://programs.acec.org/impact-report-21/>

Industry Sentiment by Sector 12 Months from Now

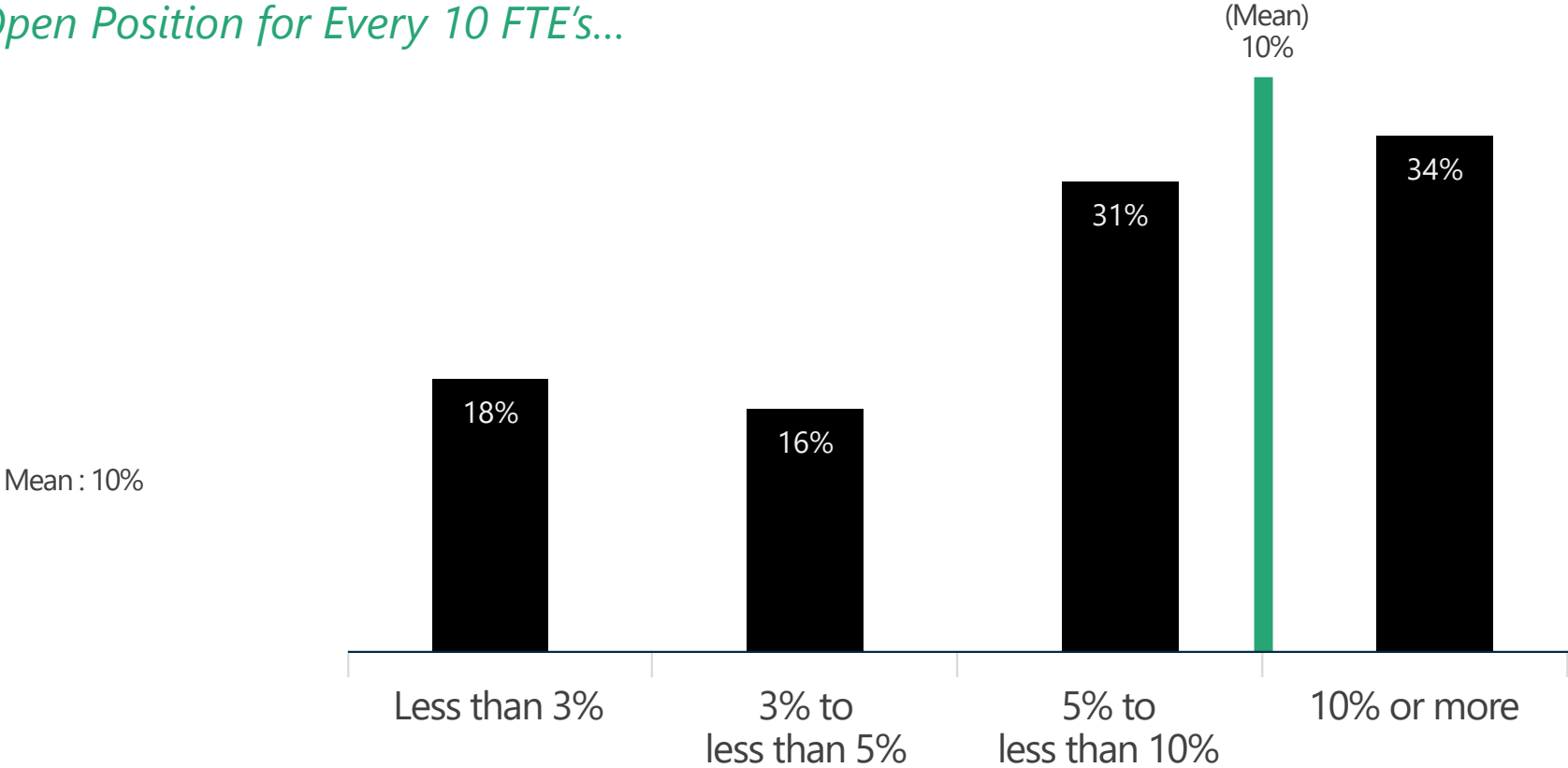
Public Works / Utilities takes the lead...



Source: ACEC Research Institute Engineering Business Sentiment © | 2023 Q2- <https://programs.acec.org/impact-report-21/>

Open Positions as Percentage of Overall FTEs

One Open Position for Every 10 FTE's...



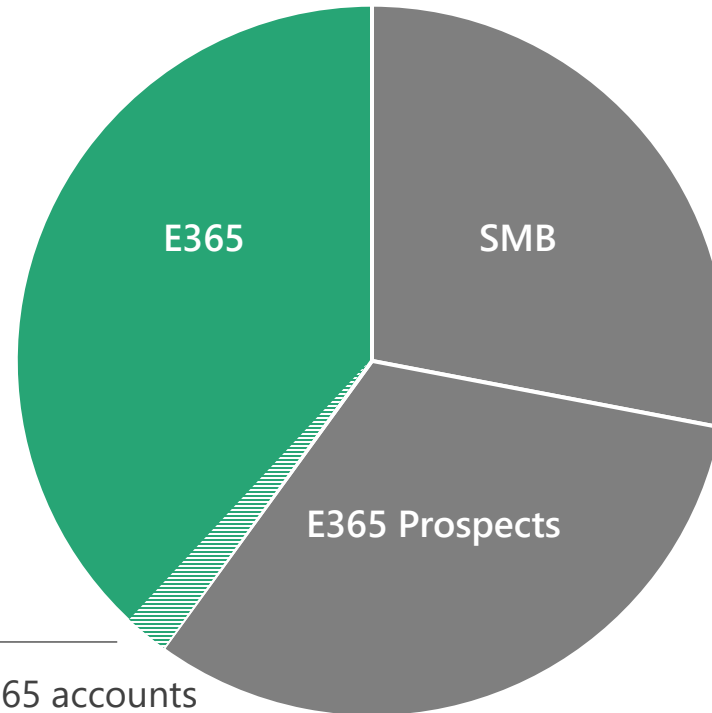
2023 Q2 (n=570)



Source: ACEC Research Institute Engineering Business Sentiment © | 2023 Q2- <https://programs.acec.org/impact-report-21/>

ARR⁶ by Account Size

E365 drives Application Mix Accretion (Upsell)...



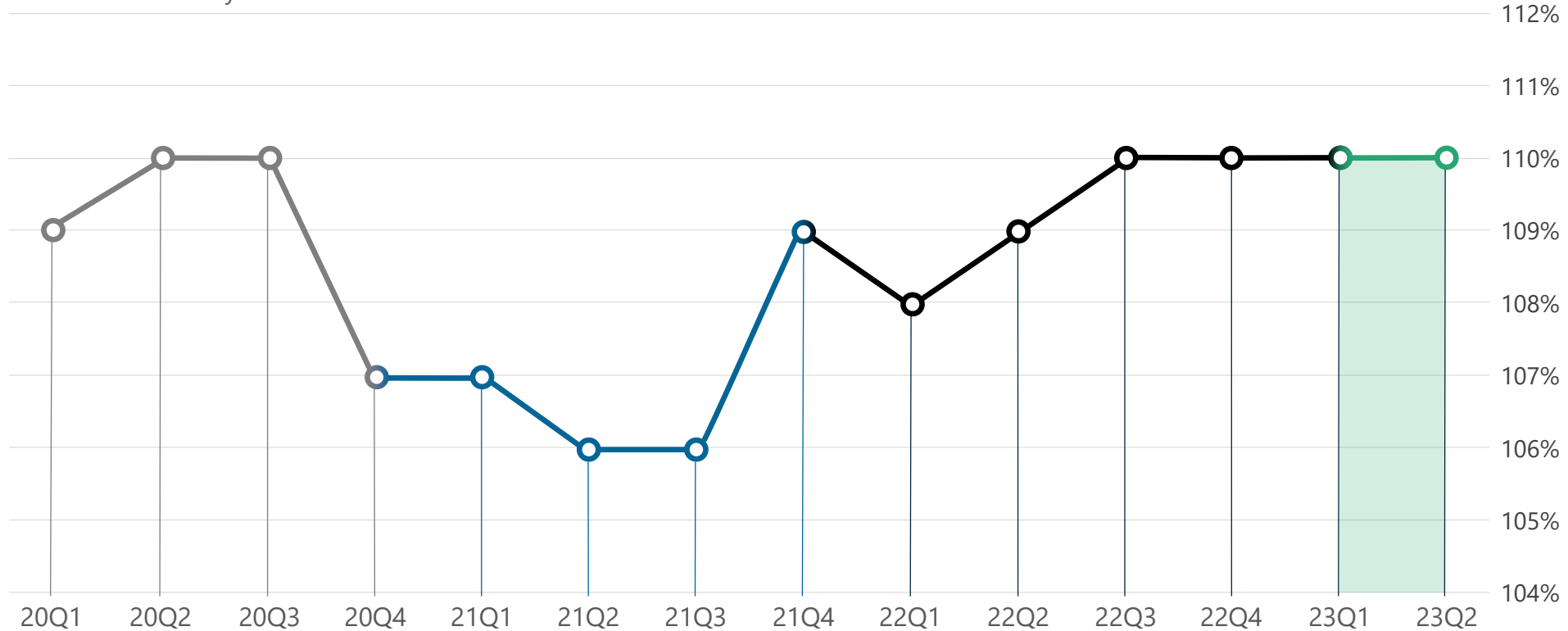
E365 growth during 23Q2

- (primarily) in consumption, by existing E365 accounts
- accounts new to E365

YoY LTM Recurring Revenues Dollar-Based *Net Retention Rate*⁵ (NRR)

Sustained at High-water Mark...

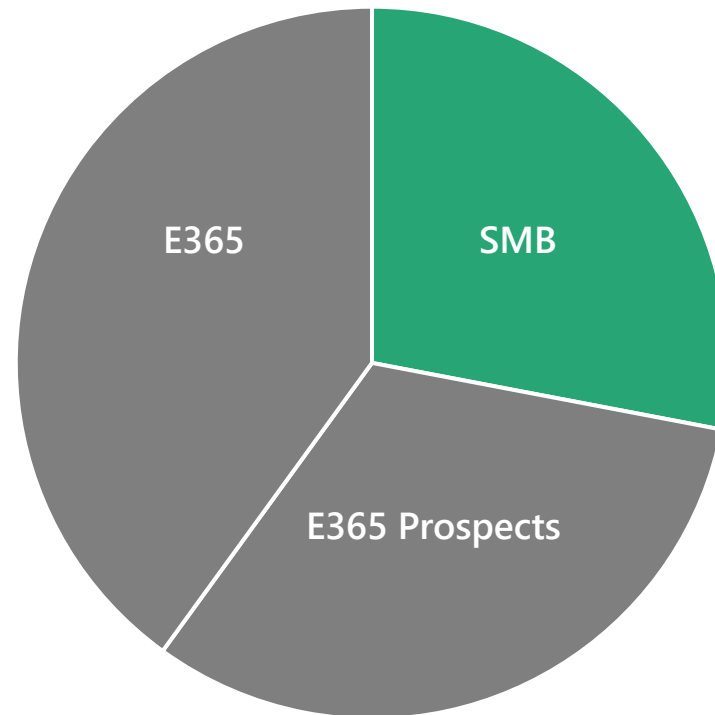
Constant Currency Business Performance



Footnote 5: See appendix for KPI and non-GAAP definitions

ARR⁶ by Account Size

SMB Broadens our Reach...



Note: Chart segment sizing corresponds to underlying % of 23Q2 ARR⁶
Footnote 6 : See appendix for KPI and non-GAAP definitions

23Q2 Directions

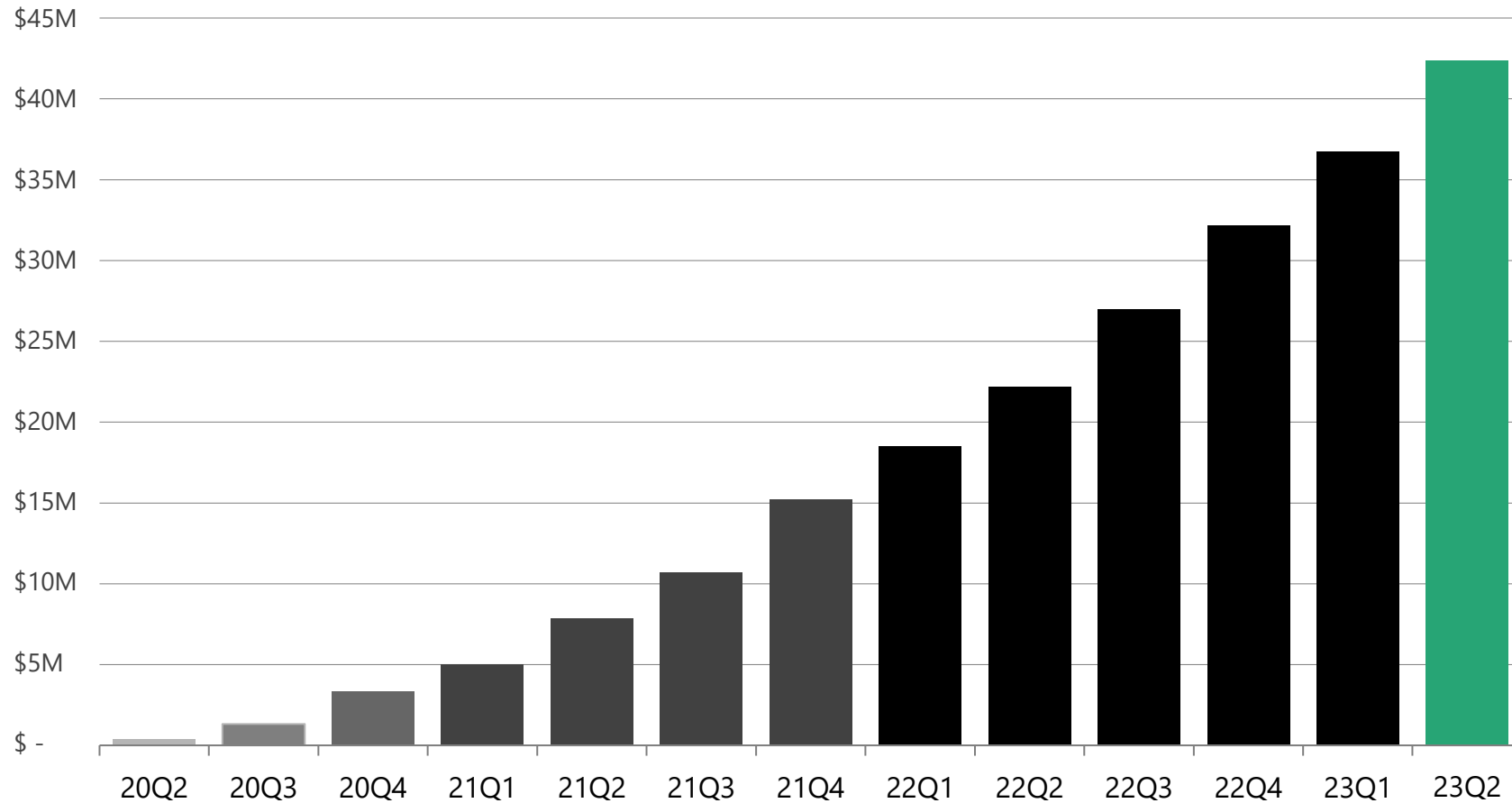
Broader Growth (*Directionally Better...*)

E365 Contribution (*Directionally Better...*)

SMB Contribution (*Directionally Better...*)

Virtuosity ARR⁶ (Constant Currency¹)

Cumulative Compounding...



23Q2 Directions

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SMB Contribution (*Directionally Better...*)

Cycle within a Super-cycle: *Resources* (mining) ...

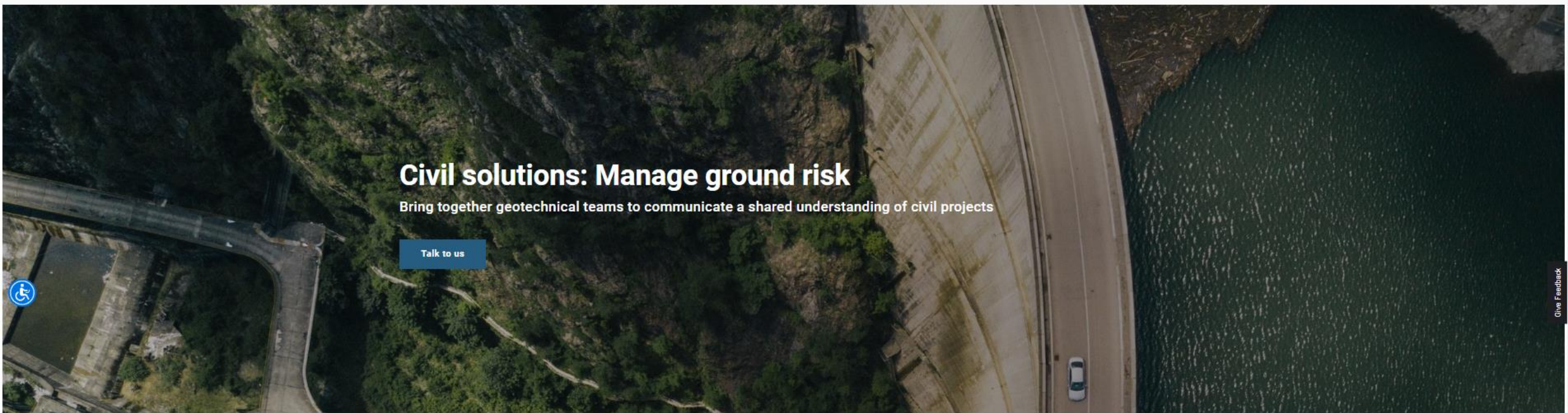
23Q2 Directions

Broader Growth (*Directionally Better...*)

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SMB Contribution (*Directionally Better...*)

Cycle within a Super-cycle: *Resources* (mining) / *Seequent...*



Civil solutions: Manage ground risk

Bring together geotechnical teams to communicate a shared understanding of civil projects

[Talk to us](#)

Don't let ground risks delay your project

Without a clear and evolving understanding of a site, project delays and added costs become increasingly likely.

When you can bring together all your data, analyse and mitigate risks of excavations and engineering designs, and communicate and collaborate with project partners and stakeholders – everyone can make the most informed decisions throughout a project.

Geophysicists, engineering geologists, and geotechnical engineers use our software on infrastructure projects to plan, design, and construct roads, rail, bridges, tunnels, buildings, and dams and levees.

Know the subsurface at every project stage

When you collaborate around a shared understanding of the ground conditions, you can deliver projects faster with more certainty and achieve a better outcome.

Create auditable workflows with teams, contractors, and joint ventures to bring all information together – and be able to quickly react to the latest insights as your work progresses.



Give Feedback

23Q2 Directions

Broader Growth (*Directionally Better...*)

E365 Contribution (*Directionally Better...*)

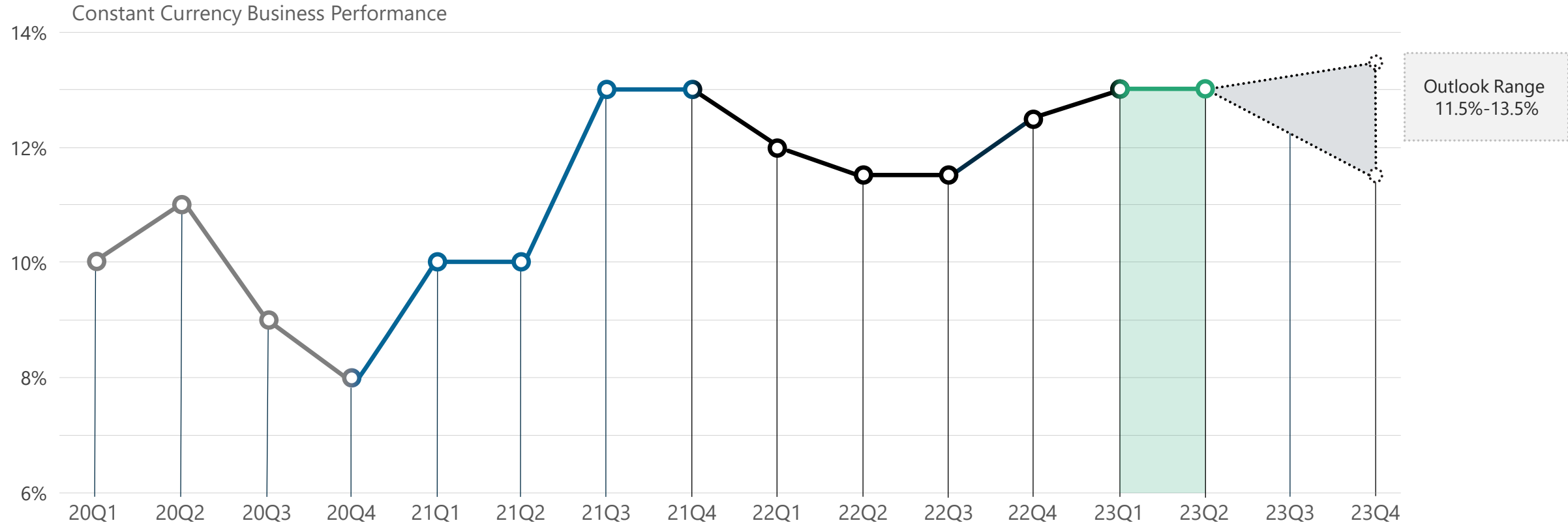
SMB Contribution (*Directionally Better...*)

Cycle within a Super-cycle: *Resources* (mining) / *Sequent...*

2023 (ARR) Visibility (*Directionally Better, ex-China...*)

YoY ARR Growth⁸

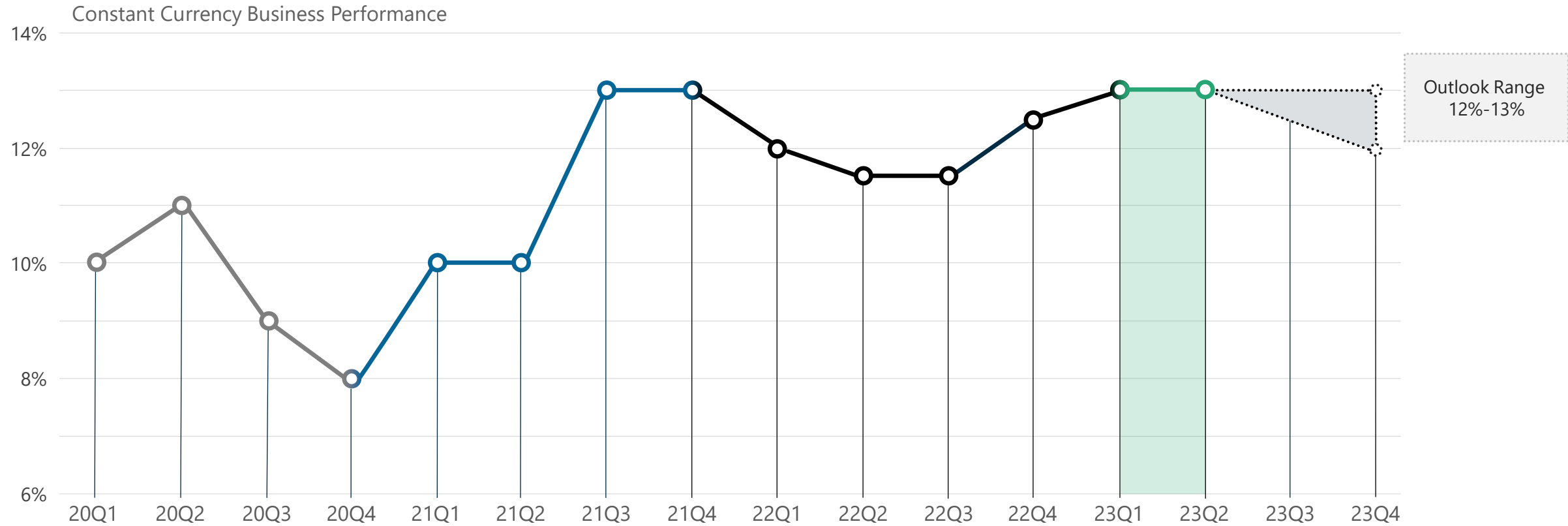
Original Range



Note: Annualized Recurring Revenue ARR⁶
Footnotes 6,8 : See appendix for KPI and non-GAAP definitions

YoY ARR Growth⁸

Mid-year Updated Range (Reserving for China ARR offset)



Note: Annualized Recurring Revenue ARR⁶
Footnotes 6,8 : See appendix for KPI and non-GAAP definitions

23Q2 Directions

Broader Growth (*Directionally Better...*)

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Cycle within a Super-cycle: *Resources* (mining) / *Sequent...*

2023 (ARR) Visibility (*Directionally Better, ex-China...*)

Directions and **Developments**



General Manager, China

Bentley Systems Announces Allen Li Has Joined As General Manager, China



Responsible For Bentley's China Growth Initiatives Across All Channels

Allen Li has been appointed to the new role of General Manager, China

June 6, 2023

EXTON, Pa.–(BUSINESS WIRE) Bentley Systems, Incorporated (Nasdaq: BSY), the infrastructure engineering software company, announced on June 6, 2023 that Allen Li has been appointed to the new role of General Manager, China, reporting to Chief Revenue Officer Brock Ballard. Allen Li has had a long executive career at enterprise software leader SAP, including as Chief Operating Officer, China. He earned a bachelor's degree in Engineering and a master's in Technology Management at Harbin Institute of Technology, and then an Executive MBA from University of Mannheim Business School.

While Bentley's infrastructure engineering offerings have become well established in major design institutes and owner organizations, the company is also pursuing substantial growth opportunities as a platform for software development and distribution by Chinese entities. Allen Li has end-to-end responsibility for all of Bentley's business in China, including recent and potential future joint ventures to offer local Chinese products leveraging Bentley technology. Bentley Chief Operating Officer Nicholas Cumins said, *"China is unique in the world for the scale and digital advancement of its infrastructure engineering, meriting a unique approach in goto-market. We welcome Allen Li as General Manager, a new role within our organization. His experience leading initiatives to 'regionalize' enterprise software in China will be instrumental to Bentley's forward-looking priorities there."*

Allen Li said, *"I am very impressed by the strength of Bentley's product-market fit and its technology leadership for infrastructure engineering in China to date, and I am excited to have the opportunity to lead Bentley in its next phase of growth, leveraging local and partner resources, in China for China."*

Directions and **Developments**



General Manager, China

The *Year in Infrastructure* 2023 (Singapore, October 11-12)

2023 Year in Infrastructure and Going Digital Awards

Watch The Inspiring Keynotes and Industry Breakout Sessions

LIVE OR ON DEMAND FROM SINGAPORE, OCTOBER 12

Register Today

bentley.com/events/going-digital-awards

+300

Going Digital Awards in Infrastructure
Nominations

36

Finalists
to be announced in 12 categories

Agenda

Directions and Developments

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Financial Performance

Werner Andre, Chief Financial Officer

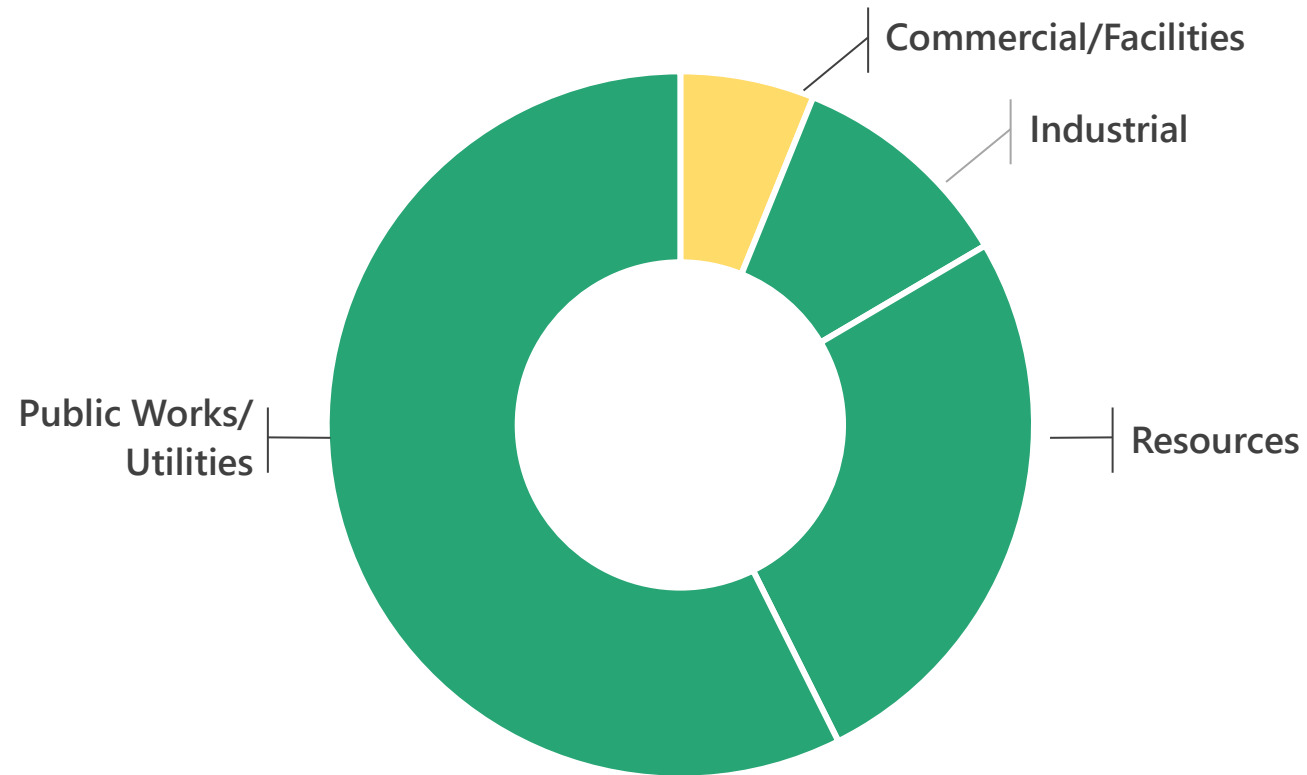
Operational Perspectives



Nicholas Cumins, Chief Operating Officer

Tone of Business by Infrastructure Sector

Growth in Public Works/Utilities Leads the Way



Note: Chart segment sizing corresponds to underlying % of 23Q2 ARR⁶
Footnote 6 : See appendix for KPI and non-GAAP definitions

Notable Q2 Developments Across Geographies

Strong Performance Across the Board

Americas

Very solid growth

- Growth led by North America
- Strength in Public Works & Utilities
- IJIA funding continuing to flow
- Backlog of project delivery firms extending further out

Europe

Steady growth

- EU funding of transportation, water, and green initiatives
- Targeting ecosystem of large infrastructure projects
- Notable wins with water utilities in the UK

Asia Pacific

Very solid growth

- India benefiting from strong tailwinds – govt investment, engineering offshoring, SMB
- Australia benefiting from large Public Works investments
- China continued to show signs of stabilization on y/y basis

Cross River Rail

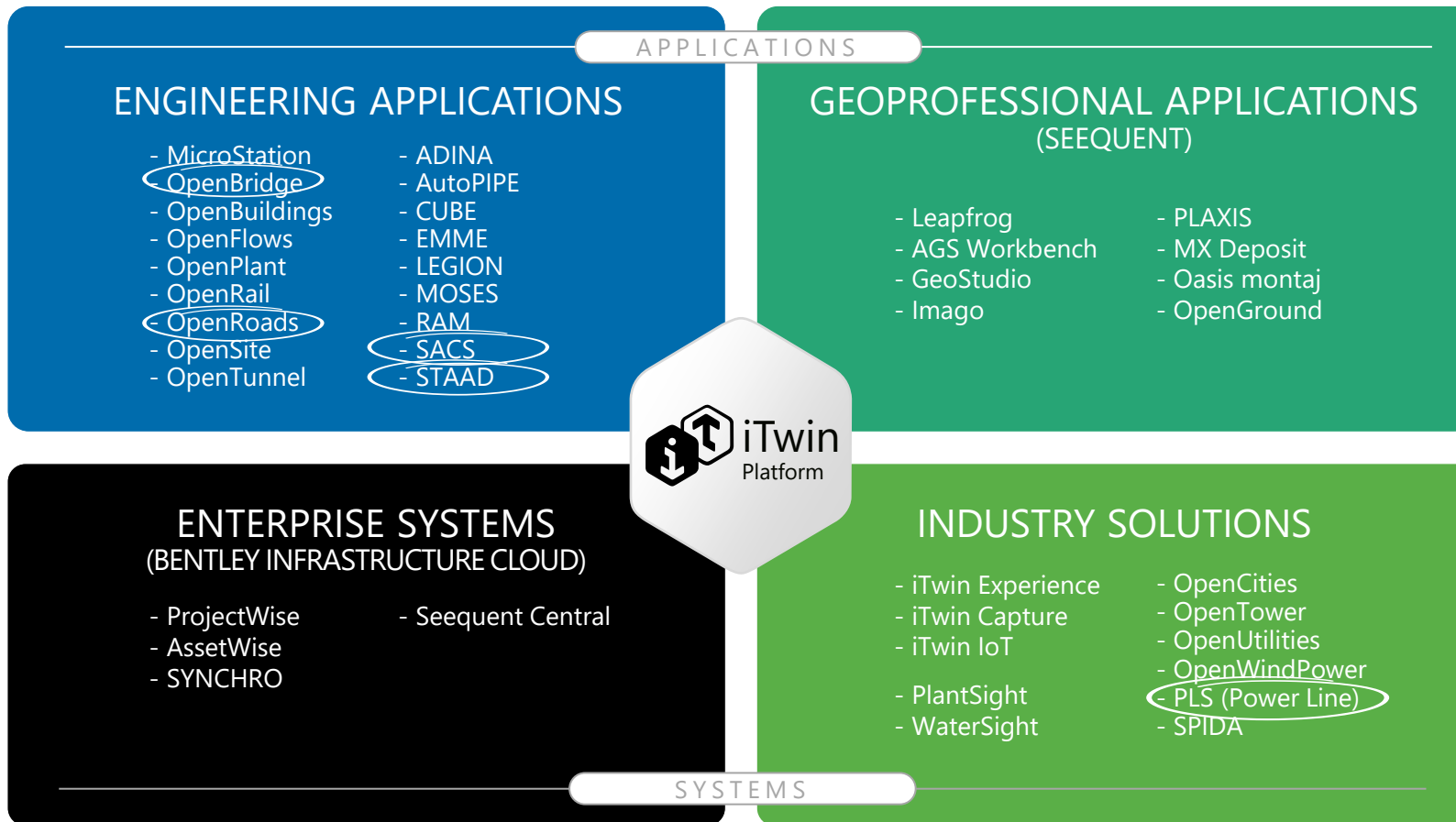
Publicly Funded Mega Project with Digital Twins at its Core, Largest Project in Queensland's History



Images courtesy of Cross River Rail

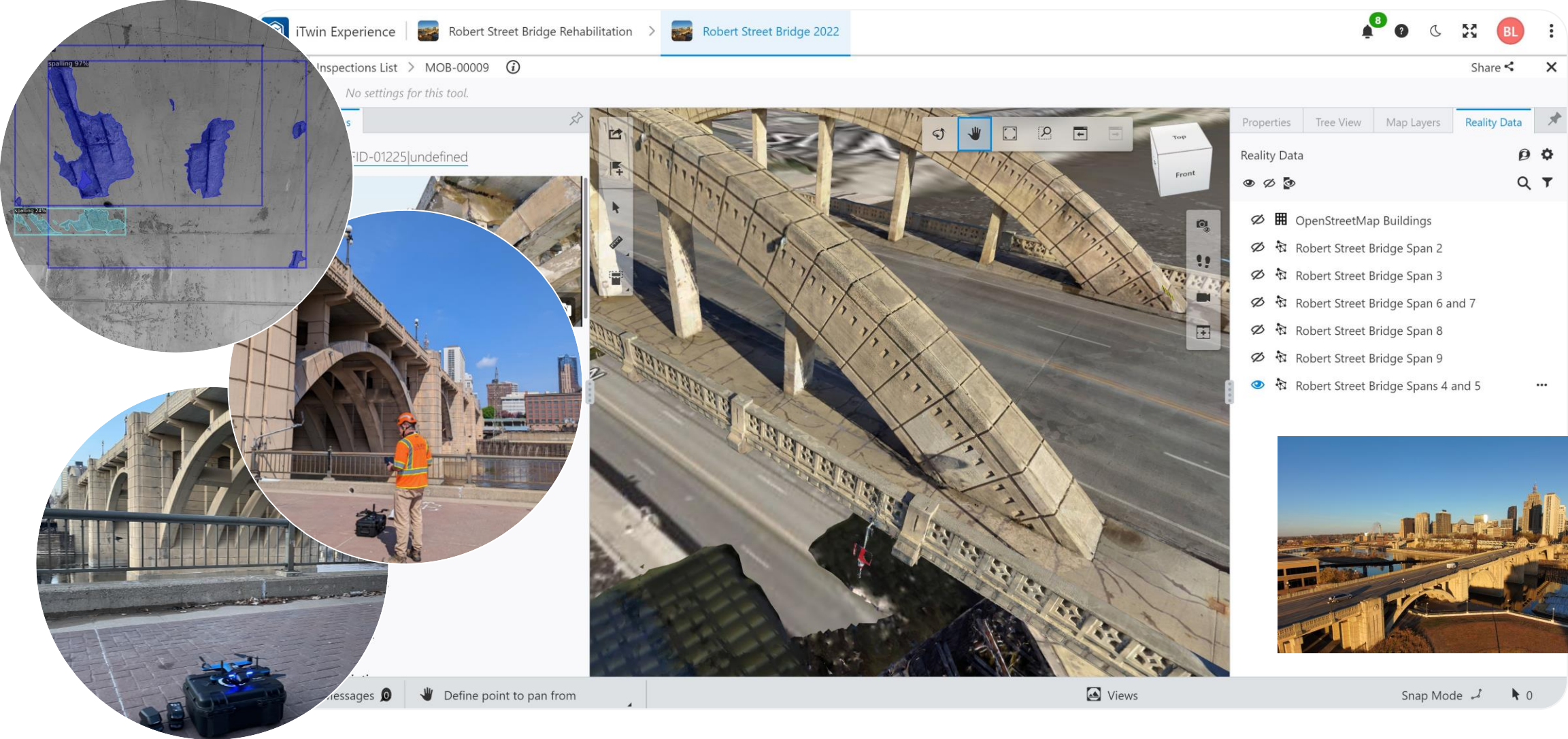
Notable Developments in New Business Across Products

Strong Growth of Structural and Civil Engineering Software



Digital Twins and AI

iTwin Strongly Positioned to Enable Endless Ways that AI May Be Applied



Financial Performance

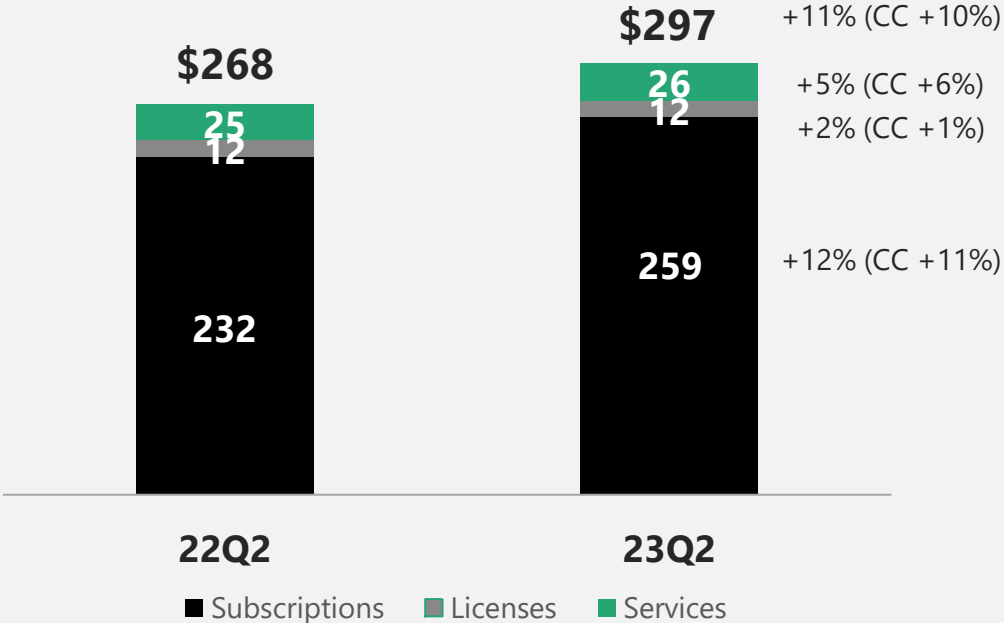


Werner Andre, Chief Financial Officer

Revenue Performance

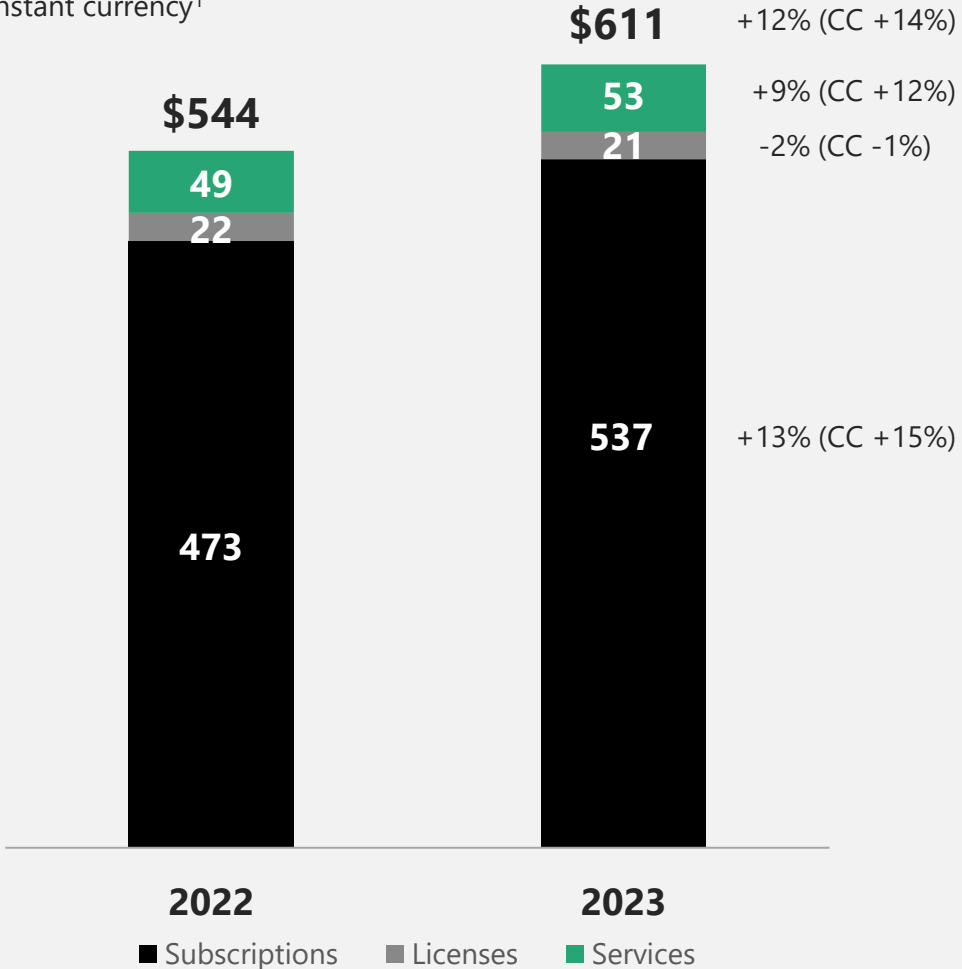
Second Quarter

\$ in millions
CC constant currency¹



First Half

\$ in millions
CC constant currency¹

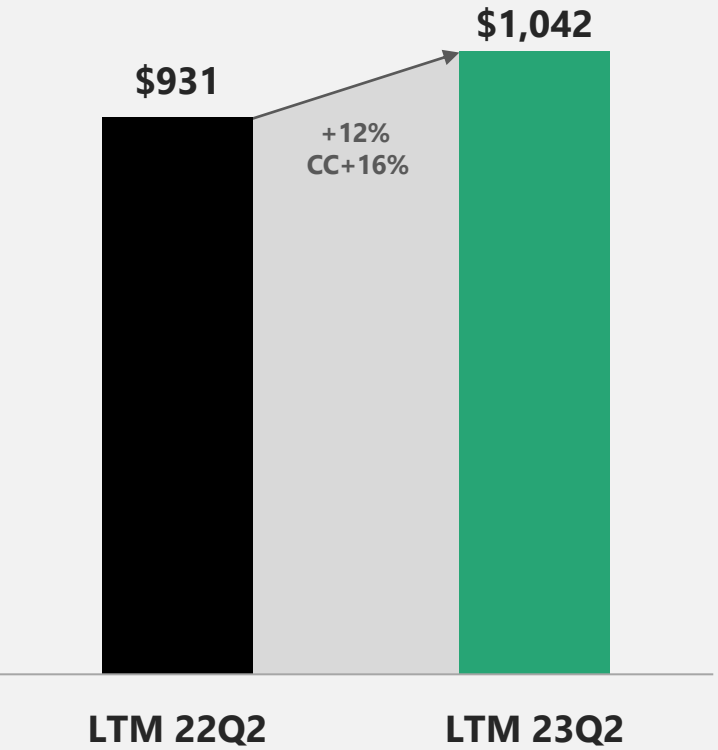


Footnote 1: See appendix for KPI and non-GAAP definitions

Recurring Revenue Performance

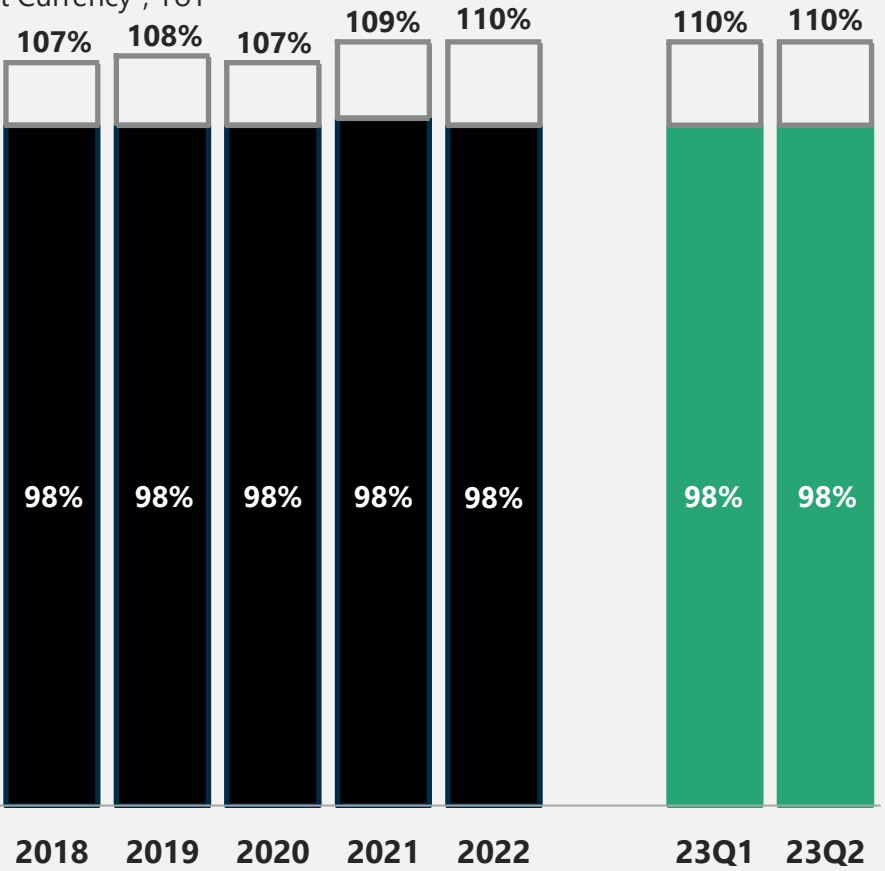
LTM Recurring Revenues³

\$ in millions
CC constant currency¹



LTM Recurring Revenue Retention

Constant Currency¹, YoY

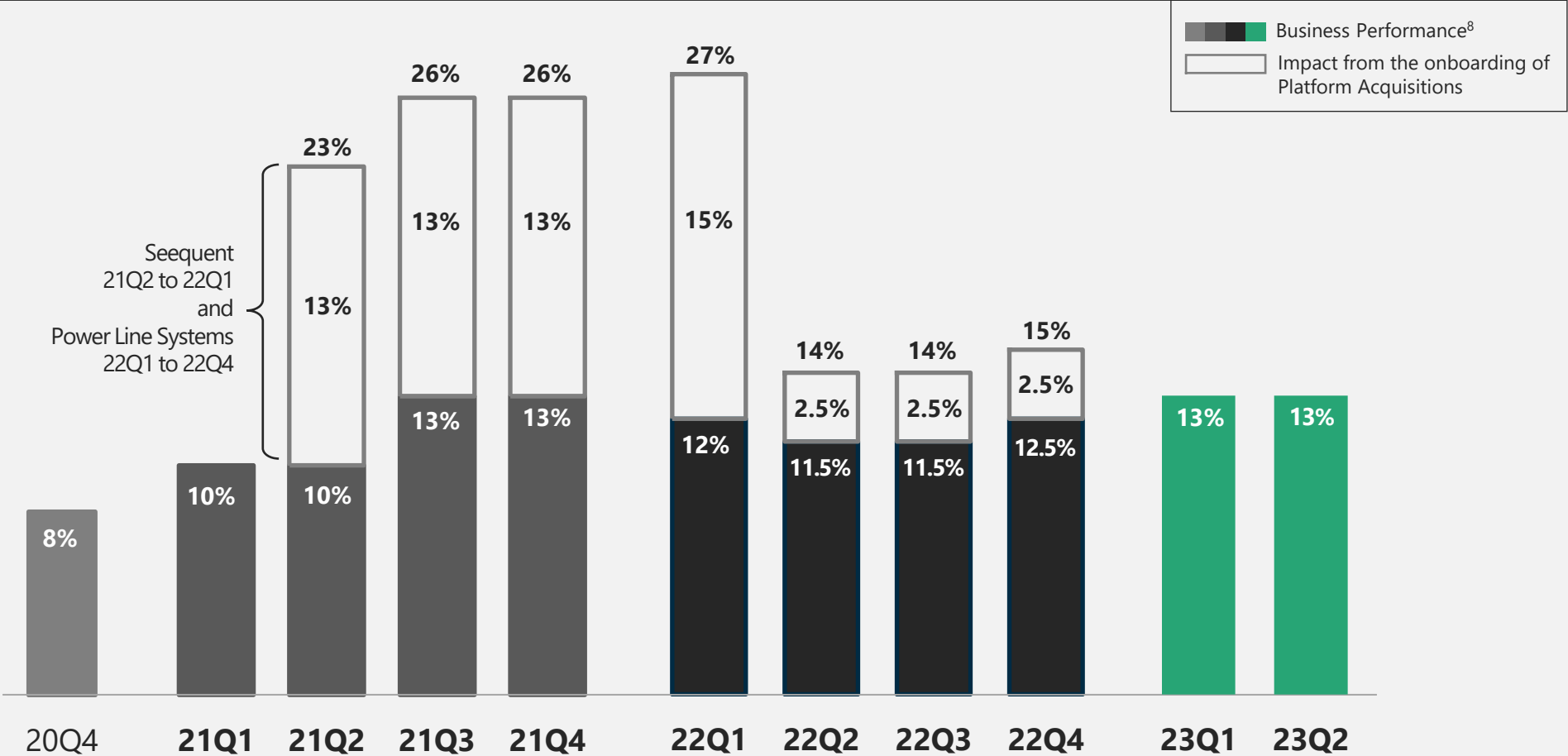


Footnotes 1, 3, 4, 5: See appendix for KPI and non-GAAP definitions

Recurring Revenue Performance

ARR Growth^{7,8}

Constant Currency¹, YoY



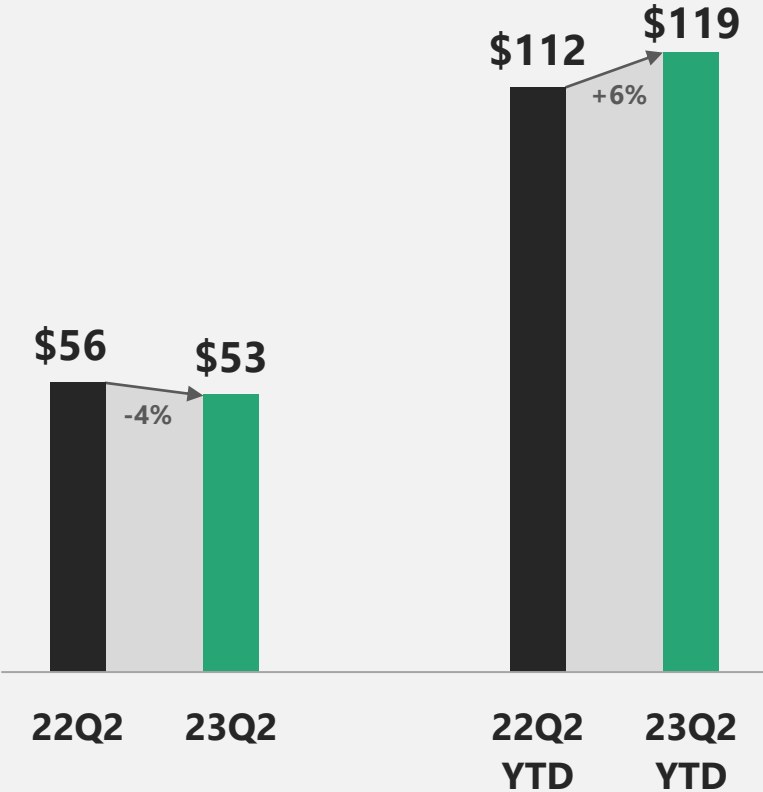
ARR⁶: \$1,106 at 6/30/2023 spot

Footnotes 1, 6, 7, 8: See appendix for KPI and non-GAAP definitions

Profitability Performance

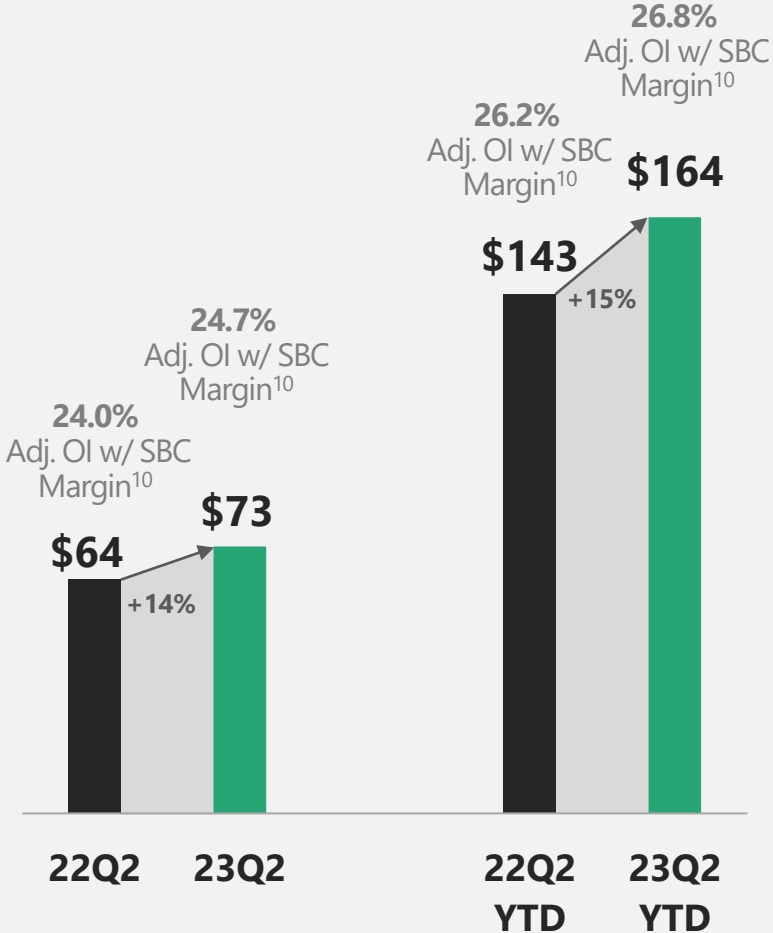
GAAP Operating Income

\$ in millions



Adjusted OI w/ SBC⁹

\$ in millions

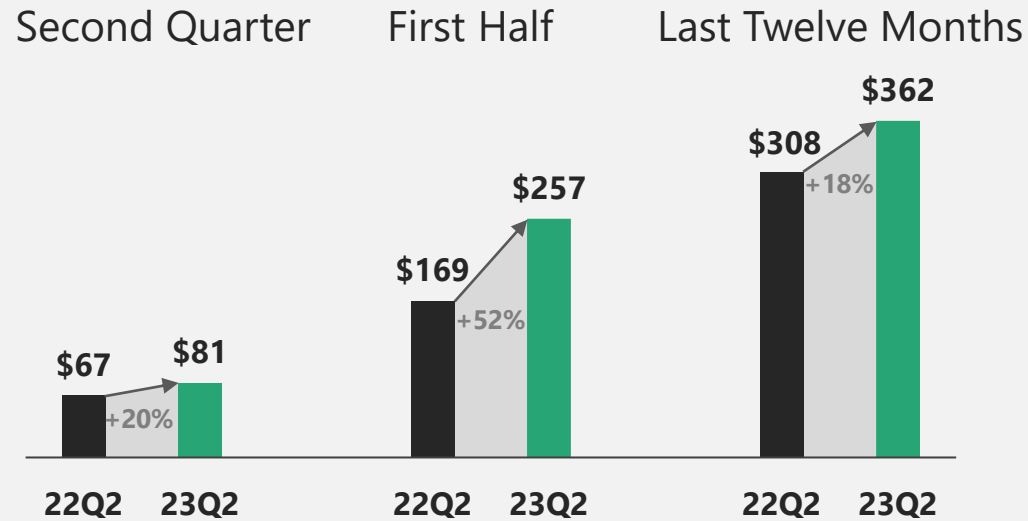


Footnote 9,10: See appendix for KPI and non-GAAP definitions

Liquidity and Capital Structure

GAAP Operating Cash Flows

\$ in millions



23Q2 Equity Repurchases

\$30 million of de-facto share repurchases associated mainly with deferred compensation plan distributions for a total of \$51M for the first half.

23Q2 Credit Metrics

\$ in millions

Cash	\$ 83
Senior Debt ^a	\$ 394
Net Senior Debt ^b	\$ 311
Net Senior Debt Leverage ^c	0.8x
Available Revolver Credit Capacity	\$ 649

- Senior debt excludes \$1,263 million^a of convertible notes due 2026/2027 if not converted
 - Annual cash interest on these notes is minimal at ~\$3 million per year
 - Net debt leverage^d including convertible notes as indebtedness is 4.0x
- At \$100 million / year (exceeding recent average) for programmatic acquisitions, we can expect to de-lever at the rate of about .7 (turns of Adjusted EBITDA¹¹) annually

Footnote a: Debt gross of unamortized debt issuance costs

Footnote b: Net Senior Debt is Senior Debt minus Cash

Footnote c: Net Senior Debt Leverage is Net Senior Debt divided by LTM Adj. EBITDA¹¹

Footnote d: Net Debt Leverage is Net Senior Debt plus \$1,263M of convertible notes divided by LTM Adj. EBITDA¹¹

Footnote 11: See appendix for KPI and non-GAAP definitions

Full Year 2023 Financial Outlook

Financial Metrics	Outlook
Total Revenues	\$1,205 million to \$1,235 million ^a (+9.5% to 12.5%; +10.5% to 13.5% in constant currency ¹)
ARR Growth ⁸ (constant currency ¹)	12% to 13% ^b , updated from previous range of 11.5% to 13.5%
Adjusted OI w/SBC Margin ¹⁰	Approximately 26%
Effective Tax Rate	Approximately 20%
Cash Flow from Operations	Approximately 80% of Adjusted EBITDA ¹¹
Capital expenditures	Approximately \$30 million, which includes certain IT investments

Footnote a: We do not update our revenues outlook for subsequent changes in foreign exchange rates.

Footnote b: Includes ARR⁶ acquired from programmatic acquisitions, which generally are immaterial, individually, and in the aggregate

Additional expectations to support financial modeling

- Full year interest expense of approximately \$49 million. Around \$33 million cash interest (net of around \$9 million of payments received from our interest rate swap);
- Full year cash taxes of around \$45 million;
- Stock-based compensation in the 6% range of revenues;
- Operating depreciation and amortization of approximately 1.5% of revenues;
- Fully diluted weighted average shares outstanding between 331 and 332.5 million;
- Dividends of \$0.20 per share.

Appendix



KPI and Non-GAAP Definitions

This presentation includes certain KPIs and non-GAAP financial measures, which are defined herein. Reconciliations of Adjusted OI w/SBC and Adjusted EBITDA to their nearest GAAP equivalents are included in our Form 8-K (Quarterly Earnings Release) announcing our quarterly operating results, which can be found on the SEC's website at www.sec.gov and on our website at www.bentley.com.

- 1. Constant currency.** In reporting period-over-period results, we calculate the effects of foreign currency fluctuations and constant currency information by translating current period results using prior period average foreign currency exchange rates.
- 2. Recurring revenues.** We define recurring revenues as subscriptions revenues that recur monthly, quarterly, or annually with specific or automatic renewal clauses and professional services revenues in which the underlying contract is based on a fixed fee and contains automatic annual renewal provisions.
- 3. LTM Recurring revenues.** Our last twelve-months ("LTM") recurring revenues are calculated as recurring revenues recognized over the preceding twelve-month period.
- 4. Account retention rate.** Our account retention rate for any given twelve-month period is calculated using the average currency exchange rates for the prior period, as follows: the prior period recurring revenues from all accounts with recurring revenues in the current and prior period, divided by total recurring revenues from all accounts during the prior period. 2018 and 2019 calculated using ASC 605, and 2020, 2021, 2022, and 2023 calculated using ASC 606.
- 5. LTM Recurring revenues dollar-based net retention rate.** Our LTM recurring revenues dollar-based net retention rate is calculated, using the average exchange rates for the prior period, as follows: the recurring revenues for the current period, including any growth or reductions from existing accounts, but excluding recurring revenues from any new accounts added during the current period, divided by the total recurring revenues from all accounts during the prior period. A period is defined as any trailing twelve months. Related to our platform acquisitions, recurring revenues into new accounts will be captured as existing accounts starting with the second anniversary of the acquisition when such data conforms to the calculation methodology. This may cause variability in the comparison. 2018 and 2019 calculated using ASC 605, and 2020, 2021, 2022, and 2023 calculated using ASC 606.

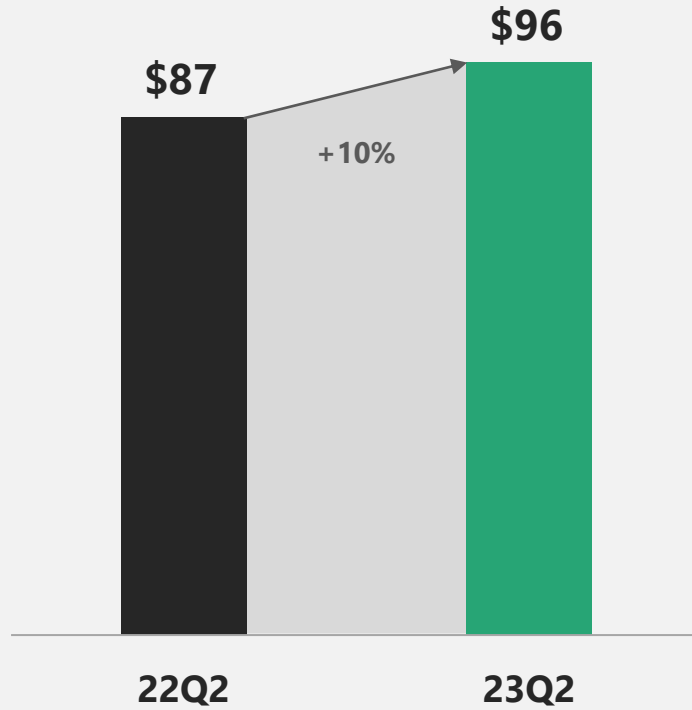
KPI and Non-GAAP Definitions

6. **Annualized Recurring Revenues (“ARR”).** Our ARR is defined as the sum of the annualized value of our portfolio of contracts that produce recurring revenues as of the last day of the reporting period, and the annualized value of the last three months of recognized revenues for our contractually recurring consumption-based software subscriptions with consumption measurement durations of less than one year, calculated using the spot foreign exchange rates.
7. **ARR growth rate.** Our constant currency ARR growth rate is the growth rate of ARR, measured on a constant currency basis.
8. **ARR growth rate from business performance.** Our constant currency ARR growth rate from business performance excludes the ARR onboarding of our platform acquisitions and includes the impact from the ARR onboarding of programmatic acquisitions, which generally are immaterial, individually and in the aggregate.
9. **Adjusted OI w/SBC.** Our Adjusted operating income inclusive of stock-based compensation expense (“Adjusted OI w/SBC”) is defined as operating income adjusted for the following: amortization of purchased intangibles, expense (income) relating to deferred compensation plan liabilities, acquisition expenses, and realignment expenses (income).
10. **Adjusted OI w/SBC margin.** Our Adjusted OI w/SBC margin is calculated by dividing Adjusted OI w/SBC by total revenues.
11. **Adjusted EBITDA.** Our Adjusted EBITDA is defined as cash flow from operations adjusted for the following: cash interest, cash taxes, cash deferred compensation plan distributions, cash acquisition expenses, changes in operating assets and liabilities, and other cash items (such as those related to our interest rate swap). Adjusted EBITDA is our liquidity measure in the context of conversion of Adjusted EBITDA to cash flow from operations (i.e., the ratio of GAAP cash flow from operations to Adjusted EBITDA).

Adjusted EBITDA¹¹

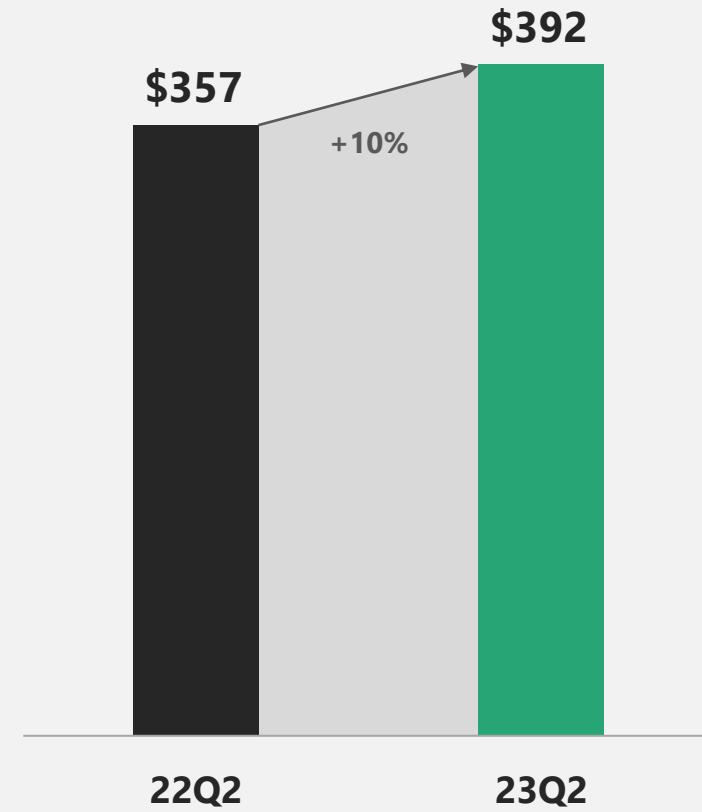
Second Quarter

\$ in millions



Last Twelve Months

\$ in millions



Footnote 11: See appendix for KPI and non-GAAP definitions